

Multistakeholder Policy

Based on the importance to its business management of creating value together with its diverse stakeholders, including shareholders, employees, suppliers, customers, creditors, and local communities, Shin-Etsu Chemical collaborates with multiple stakeholders in an appropriate manner.

In addition, based on the importance of returning value to employees and giving consideration to suppliers, Shin-Etsu Chemical is pursuing the initiatives outlined below, taking the view that appropriately sharing the profits and results generated by value co-creation and productivity improvements with multiple stakeholders will maintain momentum for wage increases and lead to sustainable economic development.

1. Returning Value to Employees

With the aim of achieving sustainable growth, Shin-Etsu Chemical is focusing its efforts on improving productivity and maximizing added value through prioritizing the allocation of management resources to growth areas and by developing employees' capabilities, improving their skills, etc. In addition, based on the profits and results that are generated, it raises wages through appropriate means aligned with the Company's circumstances, in accordance with "fundamental principles on deciding wages". Alongside this, to improve the overall treatment of employees, it aims to continuously return value to employees by proactively investing in human resources, thereby contributing to enhancing employee engagement and further improving productivity.

(Specific Initiatives)

Specifically, in terms of increasing wages, Shin-Etsu Chemical always keeps in mind ensuring mutual trust between labor and management and strives to offer an attractive wage level and provide bonuses based on a comprehensive consideration of factors such as regular pay raises, social conditions, resolving issues within the company, maintaining a competitive advantage in the labor market, and profit sharing.

Furthermore, in terms of investing in human resources, it avoids a one-size-fits-all approach to personnel reassignment and instead puts the right people in the right jobs based on a flexible, long-term perspective. The company effectively passes on the knowledge and technical expertise it has acquired to date through OJT (on the job training)-centered training, while it also engages in planned, proactive personnel development by offering basic training, training for different staff grades, and specialized training.

2. Consideration of Suppliers

Shin-Etsu Chemical continues to pursue efforts in compliance with the details of the Declaration of Partnership Building.

- Declaration of Partnership Building registration date
【December 4, 2020】
- URL of the Declaration of Partnership Building (Japanese only)
【<https://www.biz-partnership.jp/declaration/825-05-08-tokyo.pdf>】

April 25, 2023
Shin-Etsu Chemical Co., Ltd.